

Senate Engrossed

FILED

**KEN BENNETT
SECRETARY OF STATE**

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

CHAPTER 101

SENATE BILL 1261

AN ACT

AMENDING SECTION 28-2133, ARIZONA REVISED STATUTES; RELATING TO VEHICLE LIENS
AND ENCUMBRANCES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 28-2133, Arizona Revised Statutes, is amended to
3 read:

4 28-2133. Index and filing of liens, encumbrances or
5 instruments; constructive notice

6 A. The department shall maintain an appropriate index of all liens,
7 encumbrances or title retention instruments filed as provided by this
8 article.

9 B. The filing and issuance of a new certificate of title as provided
10 in this article is constructive notice to creditors of the owner or to
11 subsequent purchasers of all liens and encumbrances against the vehicle
12 described in the certificate of title, except those that are authorized by
13 law and that are dependent on possession. If the documents referred to in
14 this article are received and filed in a registering office of the department
15 within thirty BUSINESS days after the date of their execution, the
16 constructive notice dates from the time of execution. Otherwise, the notice
17 dates from the time of receipt and filing of the documents by the department
18 as shown by its endorsement.

19 C. The method provided in subsection B of this section for giving
20 constructive notice of a lien or encumbrance on a vehicle required to be
21 titled and registered under section 28-2153 or a mobile home required to be
22 titled under section 28-2063 is exclusive, except for liens dependent on
23 possession. A lien, encumbrance or title retention instrument or document
24 that evidences any of them and that is filed as provided by this article is
25 exempt from the provisions of law that otherwise require or relate to the
26 recording or filing of instruments creating or evidencing title retention or
27 other liens or encumbrances on vehicles of a type subject to registration
28 under this chapter.

29 D. NOTWITHSTANDING ANY OTHER LAW, THE FAILURE OF A MOTOR VEHICLE
30 DEALER AS DEFINED IN SECTION 28-4301, A FINANCE COMPANY OR THE DEPARTMENT TO
31 COMPLETE THE PAPERWORK WITHIN THIRTY BUSINESS DAYS AS PRESCRIBED IN
32 SUBSECTION B OF THIS SECTION SHALL NOT RESULT IN THE LOSS OF THE VEHICLE FOR
33 EITHER THE LIENHOLDER OR THE PERSON WHO PURCHASED THE VEHICLE.

34 Sec. 2. Retroactivity

35 Section 28-2133, Arizona Revised Statutes, as amended by this act,
36 applies retroactively to from and after December 31, 2010.

37 Sec. 3. Emergency

38 This act is an emergency measure that is necessary to preserve the
39 public peace, health or safety and is operative immediately as provided by
40 law.

APPROVED BY THE GOVERNOR APRIL 13, 2011.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 13, 2011.

Passed the House April 7, 20 11,

Passed the Senate March 2, 20 11,

by the following vote: 57 Ayes,

by the following vote: 30 Ayes,

6 Nays, 3 Not Voting
with Emergency
[Signature]
Speaker of the House

Cheryl Laube
Chief Clerk of the House

0 Nays, 0 Not Voting
[Signature]
President of the Senate

Charmine Bellinger
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

7 day of April, 20 11,

at 2:52 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 13th day of

April, 20 11,

at 10:40 o'clock A. M.

[Signature]
Governor of Arizona

S.B. 1261

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 13th day of April, 20 11,

at 4:59 o'clock P. M.

[Signature]
Secretary of State